

REMARKS

The Office Action of November 17, 2003 has been carefully considered.

Claims 14-30 have been rejected under 35 USC 102(e) over Eder et al.

The claims as amended are directed to a method for determining part of the value of a first asset in order to make a prudent investment in a second asset, namely a futures contract. Basis for the amendment can be found in the specification on page 7, lines 9-23.

The method described by Eder et al in US 6,321,205 has not been provided for making an investment of this kind. Eder et al provides a method of analyzing and valuing an existing business asset, possibly to enable a user to determine whether or not to invest in the business. There is no discussion of any relationship between the value of the existing asset and a further asset in which the user might invest.

The method described by Eder et al might be used in the first and second steps of the method of claim 14 and the other independent claims of the present application, in which the investor provides the market value of an asset and a potential return from the asset, i.e. the market value and the potential return could be determined using Eder's method. The present claims then proceed to analyze the relationship between this asset and the possibility of a potential investment in a further asset, now specified as a futures contract in each of the main claims. Eder et al does not disclose or suggest these further steps.

Eder et al provides a detailed valuation of a particular asset but says nothing about the relationship of the existing asset to a further asset, specifically a futures contract. The Eder method is provided to determine the most accurate and

useful evaluation of the asset, and can be used to determine accurate values for elements of the business, allowing calculation of a forecast equity price for the business overall. The aim is to provide a method of evaluation by using the value of the parts to determine the value of the whole.

In contrast, the claimed invention does not focus on the accuracy of the evaluation of an existing asset, nor does it aim to provide a calculated forecast price for the asset itself. Rather, the invention aims to work from a relatively simple valuation that can be used and readily understood by an investor, as a guide to investment in a further unrelated asset, particularly exchange traded futures and options index contracts. The aim is thus to provide an "insurance premium" that varies by the amount of exposure the investor assumes in these leveraged markets relative to the value of the investor's existing assets.

The method disclosed by Eder et al can be used to determine the amount of a loan based on a highly accurate or realistic business evaluation. In contrast, the claimed invention goes much further, determining a financial relationship between such a loan and a further asset that might be bought by the investor using the loan. The claimed invention assists the investor in avoiding overexposure from an investment, without risking the original asset.

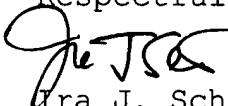
In relation to claim 14 for example, Eder et al does not include "calculating market values for a range of potential investments using the discount value of the asset and the preferred term of investment," despite the assertion in the Office Action that this is the case. Eder et al makes no attempt to determine any relationship between the "market values of potential investments" in relation to evaluation of

the existing "asset" on which a loan for the investment might be based. Eder et al merely presents market values or growth options for a range of elements in the same business that forms the existing asset.

Withdrawal of this rejection is requested.

In view of the foregoing amendments and remarks, Applicant submits that the present application is now in condition for allowance. An early allowance of the application with amended claims is earnestly solicited.

Respectfully submitted,



Ira J. Schultz  
Registration No. 28666